



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

May 12, 2016

JONATHAN LINES, TREASURER
ARIZONA REPUBLICAN PARTY
3501 NORTH 24TH STREET
PHOENIX, AZ 85016

Response Due Date

06/16/2016

IDENTIFICATION NUMBER: C00008227

REFERENCE: YEAR-END REPORT (12/01/2015 - 12/31/2015)

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **Failure to adequately respond by the response date noted above could result in an audit or enforcement action.** Additional information is needed for the following 6 item(s):

1. Line 11(c) of the Detailed Summary Page of your report discloses a total of \$650 in contributions from other political committees. The sum of the entries itemized on Schedule A, however, indicates the total to be \$475. Please amend your report to clarify the discrepancy. (52 U.S.C. §30104(b) (formerly 2 U.S.C. § 434(b)) and 11 CFR §104.3))

2. In memo text disclosed on your Amended December Monthly (11/1/15 - 11/30/15), received 12/28/15, you state "Excess portion of this contribution to be transferred in our next regularly scheduled report." However, you have failed to disclose the transaction during this reporting period (see attached). Any transfers-out should be disclosed on Schedule B supporting Line 22 of the report covering the period during which the transaction was made. Please amend your report to clarify this apparent discrepancy.

Please inform the Commission if you were unable to take corrective action as previously indicated and provide a photocopy of your check for any subsequent transfer-out. Although the Commission may take further legal action concerning the acceptance of a prohibited or excessive contribution, prompt action by your committee to transfer-out the amount will be taken into consideration.

3. Your Amended November Monthly (10/1/15-10/31/15), received 12/28/15,

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Amended December Monthly (11/1/15-11/30/15), received 12/28/15, and Year-End (12/1/15-12/31/15) Reports combined do not disclose any payments for salary or wages on Schedule B supporting Line 30(b) of the Detailed Summary Page. 11 CFR §100.24 defines as Federal Election Activity, services provided by an employee of a State, district or local party committee who spends more than 25 percent of their time during that month on activities in connection with a Federal election. You are advised that payments for salaries and wages for employees who spend more than 25 percent of their compensated time in a given month on Federal Election Activity or activities in connection with a Federal election must be made with Federal funds only. Please provide clarification regarding the lack of payments for salary and wages disclosed by your committee.

4. Schedule H4 of your report discloses apparent disbursements to "NAACP," "Mesa Republican Women Committee," and "Pima County Republican Committee." Please be advised that contributions and transfers to federal committees and/or non federal committees/organizations do not qualify as shared expenses to be allocated between your federal and non federal accounts. Transfers to affiliated committees should be disclosed on Schedule B supporting Line 22 of the Detailed Summary Page, contributions to federal committees should be disclosed on a Schedule B supporting Line 23 of the Detailed Summary Page and contributions to non federal committees/organizations on a separate Schedule B supporting Line 29. Any reimbursement from your committee's non federal account for any portion of this activity is not permissible. (11 CFR §102.5(a)(1)(i))

The Commission recommends that you immediately transfer the funds received by your federal account, as reimbursement for the non federal portion, back to your non federal account. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

5. Schedule H4 supporting Line 21(a) of your report discloses payments for "Payroll" and "Payroll Taxes." Please be advised that pursuant to 11 CFR §300.33(c)(2), salaries and wages for employees who spend more than 25% of their compensated time in a given month on Federal Election Activity (FEA) or activities in connection with a Federal election must not be allocated between or among federal and non-federal accounts. Rather, only federal funds may be used. Further, the Commission concluded in Advisory Opinion 2003-11 that amounts spent for employee-specific "fringe benefits," consisting of health insurance, disability insurance, life insurance, retirement benefits and payroll

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taxes, fall into the category of compensated time.

Please clarify whether this activity is for employees who spent 25% or less of their time during the month(s) referenced above on FEA or activities in connection with a Federal election. If this is not the case, any reimbursement from your committee's non-federal account for this payment is not permissible and must be returned. Although the Commission may take further legal action regarding any improper allocation activity, your prompt action will be taken into consideration.

6. Schedules H5 and L-B of your report disclose transfers-in of \$55,642 from your Levin account for Generic campaign activity; however, a Schedule H6 has not been filed to disclose any payments for allocable Federal Election Activity, which is necessary to support such transfers-in.

Please be advised that transfers for allocated Federal Election Activity must not exceed the Levin share of the allocated disbursements and that these transfers must be made within a 70-day time period: no more than 10 days before and no more than 60 days after payment to the vendor. 11 CFR §300.33(d)(2) In addition, unless your Levin account is reimbursing your federal account for allocable Federal Election Activity, the transfer-in of funds from a Levin account is prohibited by 11 CFR §102.5(a)(1)(i) and §300.30(b)(3). Please clarify the nature of this transfer-in from the Levin account.

The Commission recommends that you immediately transfer the impermissible funds received by your federal account, back to your Levin account. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses must be received by the Commission on or before the due date noted above to be taken into consideration in determining whether audit action will be initiated. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action. **Requests for extensions of time in which to respond will not be considered.**

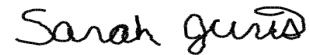
Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any

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questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1175.

Sincerely,

A handwritten signature in black ink that reads "Sarah Juris". The script is cursive and fluid, with the first name "Sarah" and last name "Juris" clearly legible.

Sarah Juris
Senior Campaign Finance Analyst
Reports Analysis Division

Impermissible, Excessive, and Prohibited Contributions
ARIZONA REPUBLICAN PARTY (C00008227)

Excessive Contribution from Indian Tribe

| Contributor Name | Date | Amount | Report |
|-----------------------------|-------------|---------------|-----------------------|
| Gila River Indian Community | 11/20/15 | \$25,000.00 | 2015 November Monthly |